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April 19, 2018

**Via ECFS**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: CC Docket Nos. 96-45 & 01-92; WC Docket Nos. 10-90, 14-58 & 07-135  
Grand River Mutual Telephone Corporation  
Notice of *Ex Parte***

Dear Ms. Dortch:

On April 17, 2018, Ron Hinds, Jenni Neff, and Anissa Rockhold of Grand River Mutual Telephone Corporation (“GRM” or the “Cooperative”) and John Kuykendall of JSI (collectively, “GRM Representatives”) met with Ryan Palmer, Alexander Minard, Suzanne Yelen and Katie King of the Wireline Competition Bureau (“Bureau Representatives”). GRM representatives, along with Cassandra Heyne of JSI, also met separately with Jay Schwarz of Chairman Pai’s office, Amy Bender of Commissioner O’Rielly’s office, Travis Litman of Commissioner Rosenworcel’s office and Neşe Guendelsberger of Commissioner Clyburn’s office (“Commissioner Staff”). GRM provides service in Iowa, where it and its subsidiary, South Central Communications, Inc. (“SCC”), receive legacy support for a single study area, and in Missouri where the company elected A-CAM support for its study areas in that state. The matters discussed in the meeting pertained to a study area waiver which relates to its Iowa service area and a Petition for Reconsideration which the company plans to file relating to its Missouri operations.

First, GRM representatives discussed a pending petition for study area waiver which, if granted, would divide the single study area served by GRM and SCC into two separate study areas consistent with the companies’ designated service area exchanges.<sup>1</sup> GRM is a tax-exempt, member-owned cooperative; SCC is a non-exempt commercial corporation. GRM maintains separate financial accounting for the two entities. Separate

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<sup>1</sup> Joint Petition for Waiver Grand River Mutual Telephone Company Corporation and South Central Communications, Inc. for Waiver of the Definition of “Study Area” Contained in Part 36, Appendix-Glossary of the Commission’s Rules, CC Docket No. 96-45 (filed Jan. 30, 2018) (“Grand River-IA Study Area Waiver Petition”).

study areas would provide a mechanism to receive separate common line pool disbursements given that the National Exchange Carrier Association (“NECA”) intends to eliminate its practice of administering separate disbursements for the shared study area. Separate study areas would also provide greater administrative and operational efficiency, reduce the possibility of inadvertent inaccuracies and eliminate any added and unnecessary burdens which would be shifted to the Cooperative.

GRM estimates that disaggregation to create a separate study area for the SCC exchanges would result in a loss in Connect America Fund - Broadband Loop Support (“CAF-BLS”) of approximately \$6,040 (0.24% loss), an increase of approximately \$18,949 in High Cost Loop Support (“HCLS”) (1.14% gain), and an increase of approximately \$4,023 in Connect America Fund – Intercarrier Compensation support (“CAF-ICC”) (1% gain). Combined, the overall annual increase in USF support would be approximately \$16,932 (less than 0.5% increase).<sup>2</sup> GRM contends that this this would not be a material increase in universal service support; however, the Cooperative is concerned that any increase in universal service support might result in denial of its petition. Accordingly, GRM is willing to forgo any increase in universal service support that might occur as a result of dividing the study area as requested in its petition.

Second, the GRM Representatives discussed a forthcoming Petition for Reconsideration that GRM will be filing after publication in the Federal Register seeking reconsideration of the FCC’s *March 23 Order and NPRM*, wherein the FCC provides an additional \$36.5 million to fund model-based broadband deployment.<sup>3</sup> The GRM Representatives explained that due to an inadvertent clerical error in GRM’s June 2015 Form 477 data, 747 rural locations were excluded from the A-CAM and currently do not receive any funding for broadband.<sup>4</sup> In its petition, GRM will be requesting that the FCC make a minor increase to the \$36.5 million in order to fund the “orphaned” locations in its Missouri study area that were precluded from receiving support. At the very least, the FCC should reconsider the proposals in its NPRM, and specifically seek comment on including funding for the locations in the proposals regarding future increases to the A-CAM budget or additional rounds of A-CAM offers.

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<sup>2</sup> The increase in HCLS is due to the change in the ratio of subscriber loop plant to total plant when NECA’s Cost Company Loop Cost Algorithm (Algorithm) calculates the HCLS on a separate, company basis and then each company’s results are combined versus running the combined companies’ data through the Algorithm. The Algorithm is used to calculate a study area’s total unseparated cost per loop, and ultimately its HCLS.

<sup>3</sup> See *Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking*, WC Docket Nos. 10-90, 14-58, 07-135, CC Docket No. 01-92 (rel. March 23, 2018), FCC 18-29 (“*March 23 Order and NPRM*”).

<sup>4</sup> A map showing the census blocks containing these locations is attached.

Please contact the undersigned with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John Kuykendall". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Kuykendall".

John Kuykendall  
JSI Vice President

Attachment

cc: Amy Bender  
Jay Schwarz  
Travis Litman  
Neşe Guendelsberger  
Ryan Palmer  
Alexander Minard  
Suzanne Yelen  
Katie King

RED - "Abandoned," unserved rural census blocks that do not receive any support for broadband deployment due to a clerical error on GRM's Form 477

